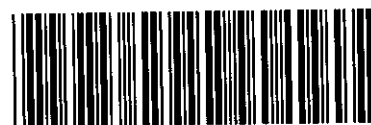


**DARBY GROUP LIMITED**

**Report and Financial Statements**

**28 February 2006**

THURSDAY



A26 \*AOGXZLQL\* 15  
28/12/2006  
COMPANIES HOUSE

**Deloitte & Touche LLP**  
**Leeds**

# **DARBY GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

### **CONTENTS**

### **Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Statement of recognised gains and losses</b>	<b>5</b>
<b>Reconciliation of movement in equity shareholders' funds</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7</b>

# **DARBY GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

S J Bannister (resigned 29 June 2006)  
P Corke  
C H B Mills  
R P Baber (appointed 15 June 2006, resigned 30 November 2006)

#### **SECRETARY**

S J Bannister (resigned 10 August 2006)  
R T Cooper (appointed 10 August 2006)

#### **REGISTERED OFFICE**

Darby House  
Sunningdale Road  
Scunthorpe  
North Lincs  
DN17 2SS

#### **BANKERS**

Royal Bank of Scotland  
Corporate Banking - East Midlands  
P O Box 7895  
Cumberland Place  
Nottingham  
NG1 7ZS

#### **SOLICITORS**

Addleshaw Booth & Co  
Sovereign House  
Sovereign Street  
Leeds  
LS1 1HQ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

# **DARBY GROUP LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 28 February 2006.

### **ACTIVITIES**

The company continues to act as the holding company for the Darby group of companies, charging certain management and rental fees to other group companies.

In the year ended 28 February 2005 the company waived an amount of £651,000 due from its subsidiary Darby Glass Limited.

### **RESULTS AND DIVIDENDS**

The company made a loss for the period after taxation of £394,000 (2005: loss of £644,000). The Directors do not propose the payment of a dividend (2005 £nil).

### **DIRECTORS AND THEIR INTERESTS**

The directors who served the company during the period were as follows:

S J Bannister  
P Corke  
C H B Mills

Following the transfer of the shares to Jarvis Porter Group PLC no director at 28 February 2006 held any interest in the shares of the company (2005: none). The interests of the directors at 28 February 2006 in the share capital of other group companies are disclosed in the accounts of Jarvis Porter Group PLC.

### **AUDITORS**

By elective resolution the directors have dispensed with the appointment of auditors annually.

Approved by the Board of Directors  
and signed on behalf of the Board



R T Cooper

Secretary

21 December 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DARBY GROUP LIMITED**

We have audited the financial statements of Darby Group Limited for the year ended 28 February 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Emphasis of matter - Going concern**

In arriving at our conclusion, we draw your attention to the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as it is not practicable to determine or quantify them.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985;

*Deloitte + Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Leeds

21 December 2006

# DARBY GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 28 February 2006

	Note	28 February 2006 £'000	28 February 2005 £'000
<b>TURNOVER (continuing operations)</b>	2	104	40
Operating costs - administrative expenses		(55)	(33)
<b>OPERATING PROFIT (continuing operations)</b>	4	49	7
Waiver of amounts owed from group undertakings		-	(651)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		49	(644)
Taxation	5	(443)	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(394)	(644)
Dividends		-	-
<b>Retained loss transferred to reserves for the period</b>	13	(394)	(644)

All activities relate to continuing operations.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account above.

## RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

There are no movements in shareholders' funds other than as stated in the profit and loss account above in both the current and preceding financial years.

# DARBY GROUP LIMITED

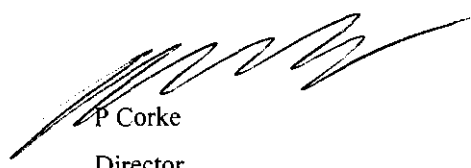
## BALANCE SHEET

28 February 2006

	Note	28 February 2006 £'000	28 February 2005 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	2,238	-
Investments	7	973	973
		<u>3,211</u>	<u>973</u>
<b>CURRENT ASSETS</b>			
Debtors	8	3,652	4,787
Cash at bank and in hand		110	459
		<u>3,762</u>	<u>5,246</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,093)</u>	<u>(388)</u>
<b>NET CURRENT ASSETS</b>		<u>2,669</u>	<u>4,858</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,880</u>	<u>6,475</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	<u>(443)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>5,437</u>	<u>5,831</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,382	1,382
Share premium account	12	3,153	3,153
Profit and loss account	13	902	1,296
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>5,437</u>	<u>5,831</u>

These financial statements were approved by the Board of Directors on 21 December 2006.

Signed on behalf of the Board of Directors



P Corke  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 28 February 2006**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below and applied consistently in both the current and prior period.

**Going concern**

The company is reliant on group support. Following the cash outflows in relation to the settlement of an onerous lease in another group company, and the losses incurred in the period the Group Board of Directors ("the Board") have reviewed the Group's borrowing requirements. The ability to secure these borrowings, for instance against the significant property and debtor assets held by the Group, could be restricted by the significant event rules which require the Board to obtain clearance from the Pension Regulator due to a defined benefit pension scheme liability in another group company.

The Board have been in discussions with the Pensions Regulator and obtained permission to borrow against a Company owned property held at Hoylake Road in Scunthorpe. A short term overdraft of £490,000 for three months has been obtained, which expires in January 2007. Given the security offered on the overdraft the Board expect to be able to renew this temporary measure on a more long term basis before it expires.

Over the next twelve months the benefits of restructuring the Darby business, through the closure of the Gloucester site and the reorganisation of the Scunthorpe site, are expected to reduce the cash outflows of the group in order to operate within these new facilities. However a further deterioration in market conditions, or an increase in requirements of funding payments to the defined benefit pension scheme held by the Group (with the new payment cycle to be agreed from May 2007) could lead to further borrowings being required, which if not obtained would lead to a material uncertainty regarding the Group's ability to operate as a going concern, and realise its assets and discharge its liabilities in the normal course of business.

The Board have prepared projected cash flow information for the period ending 12 months from the date of approval of these accounts. These include the assumptions that the overdraft facility will remain in place, payment terms to the defined benefit pension scheme will remain in line with previous practice, and that current market conditions will not deteriorate. Based on these assumptions the Directors have concluded that the preparation of the financial statements on a going concern basis is appropriate.

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**Group accounts**

Under the exemption contained in Section 228 of the Companies Act 1985, no group accounts are prepared as the company is itself a wholly owned subsidiary undertaking of Jarvis Porter Group PLC, a company incorporated in England which prepares group accounts.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**Pensions**

The Group operates a defined contribution scheme for certain directors and employees. The assets of the scheme are held separately from those of the Group. The pension charge represents the contributions payable in the period.

**Fixed assets**

The company does not revalue any of its fixed assets. Upon acquisition, differing useful lives are ascribed to major components of an asset where applicable.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 28 February 2006**

**1. ACCOUNTING POLICIES (continued)**

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	40 years
--------------------	----------

**Taxation**

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and law as that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2. TURNOVER**

All turnover arises in the United Kingdom and is in respect of rentals receivable from, and management charges to, other group companies.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

All three Directors serving during the year ended 28 February 2006 also served as directors of the parent company Jarvis Porter Group PLC. Their total remuneration for the year ended 28 February 2006 was £147,000 (2005: £180,000), and S J Bannister received £16,000 (2005: £16,000) as a contribution to a defined contribution pension scheme. In the case of these directors in the year ended 28 February 2006 it is not practicable to allocate their total remuneration to individual group companies.

	<b>28 February 2006 No.</b>	<b>28 February 2005 No.</b>
<b>Average number of persons employed</b>		
Administration	1	1
	<hr/>	<hr/>
	<b>28 February 2006 £'000</b>	<b>28 February 2005 £'000</b>
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	23	23
Social security costs	2	2
Other pension costs	1	1
	<hr/>	<hr/>
	26	26
	<hr/>	<hr/>

# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 28 February 2006

### 4. OPERATING PROFIT

	28 February 2006 £'000	28 February 2005 £'000
Operating profit is after charging/(crediting)		
Depreciation - owned assets	22	-

Auditors' remuneration has been borne by Darby Glass Ltd in the current and prior year.

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	28 February 2006 £'000	28 February 2005 £'000
The tax charge is made up as follows:		
<b>Current tax</b>		
UK corporation tax at 30% (2005: 30%)	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Deferred tax charge arising on transfer of property	443	-
<b>Total tax on profit/(loss) on ordinary activities</b>	443	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	28 February 2006 £'000	28 February 2005 £'000
<b>Profit/(loss) on ordinary activities before tax</b>	49	(644)
Profit/(loss) on ordinary activities at standard UK corporation tax rate of 30% (2005: 30%)	15	(193)
Effects of:		
Capital allowances in excess of depreciation	(454)	-
Tax charge arising on transfer of property	454	-
Expenses not deductible for tax purposes	-	195
Utilisation of tax losses during the year	(15)	-
Unprovided deferred tax movement	-	(2)
<b>Total current tax</b>	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 28 February 2006**

**6. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £'000</b>
<b>Cost</b>	
At 1 March 2005	-
Transfer in from fellow group company	3,292
	<hr/>
At 28 February 2006	3,292
	<hr/>
<b>Accumulated amortisation</b>	
At 1 March 2005	-
Charge for year	(22)
Transfer in from fellow group company	(1,032)
	<hr/>
At 28 February 2006	2,238
	<hr/>
<b>Net book value</b>	
At 28 February 2006	2,238
	<hr/> <hr/>
At 28 February 2005	-
	<hr/> <hr/>

**7. INVESTMENTS**

	<b>£'000</b>
<b>Cost</b>	
At 28 February 2005 and at 28 February 2006	2,433
	<hr/>
<b>Accumulated amortisation</b>	
At 28 February 2005 and at 28 February 2006	1,460
	<hr/>
<b>Net book value</b>	
At 28 February 2005 and at 28 February 2006	973
	<hr/> <hr/>

The company holds investments in subsidiary companies in which the company's interest is more than 10%:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Principal Activity</b>	<b>Class and Percentage of shares held</b>
Darby Glass Limited	England and Wales	Glass Processing	Ordinary 100%
Rhino Toughened Glass Limited	England and Wales	Non-trading	Ordinary 100%
DTP (Exports) Limited	England and Wales	Non-trading	Ordinary 100%
Curved Tempered Glass Limited	England and Wales	Non-trading	Ordinary 100%
Darby Midlands Limited	England and Wales	Non-trading	Ordinary 100%
Darbyseal Limited	England and Wales	Non-trading	Ordinary 100%
Hoylake Products Limited	England and Wales	Non-trading	Ordinary 100%
Darby South East Limited	England and Wales	Non-trading	Ordinary 100%
Darby West Limited	England and Wales	Non-trading	Ordinary 100%
Unique Sealed Units Limited	England and Wales	Non-trading	Ordinary 100%
Deltaglas Limited	England and Wales	Non-trading	Ordinary 100%
Seal Units (Norwich) Limited	England and Wales	Non-trading	Ordinary 100%
Poplar Glass Limited	England and Wales	Non-trading	Ordinary 100%
Starwise Sealed Units Limited	England and Wales	Non-trading	Ordinary 100%

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 28 February 2006**

**8. DEBTORS**

	28 February 2006 £'000	28 February 2005 £'000
Amounts receivable from group companies	3,652	4,787

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	28 February 2006 £'000	28 February 2005 £'000
Amounts owed to group companies	1,072	367
Other creditors	21	21
	<u>1,093</u>	<u>388</u>

**10. PROVISIONS FOR LIABILITIES AND CHARGES**

	28 February 2006 £'000	28 February 2005 £'000
Deferred taxation (Capital allowances in excess of depreciation)	443	-
The provision for deferred tax is as follows:		
Provision at start of period	-	-
Deferred tax charge in profit and loss account for period	443	-
Provision at end of period	<u>443</u>	<u>-</u>

A deferred tax asset of £12,000 (2005: £nil) has been recognised in respect of losses incurred in the year and set against capital allowances in excess of depreciation above.

A deferred tax asset has not been recognised in respect of losses incurred in the year, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised at 28 February 2006 is £nil (2005: £25,921). The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from deferred tax liabilities.

**11. CALLED UP SHARE CAPITAL**

	2006 £'000	2005 £'000
<b>Authorised</b>		
Ordinary shares of 5p each	1,784	1,784
<b>Issued and fully paid</b>		
27,634,594 Ordinary shares of 5p each	<u>1,382</u>	<u>1,382</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 28 February 2006**

**12. SHARE PREMIUM ACCOUNT**

	28 February 2006 £'000	28 February 2005 £'000
Share premium account	3,153	3,153

The share premium account was reduced by £5,000,000 on 4 July 2002 following approval by shareholders and the High Court. The reduction in the share premium account was credited against the deficit on the profit and loss reserve of the Company as at 4 July 2002, eliminating the deficit brought forward and creating a special reserve within the profit and loss reserve of the Company (see note 13) in order to protect the interests of creditors.

**13. PROFIT AND LOSS ACCOUNT**

	£'000
At 28 February 2005	1,296
Loss for the period	394
28 February 2006	902

The profit and loss account reserve of £902,000 includes a special reserve of £1,311,000 which is treated as a non-distributable reserve for the purposes of section 264 of the Companies Act 1985 until all creditors of the Company as at 4th July 2002 have either been paid in full or have otherwise given their assent. It is anticipated that the special reserve will become distributable during the financial year ended 28 February 2007.

**14. GUARANTOR**

The Company acts as Guarantor for the property lease at its former site in Basingstoke, sold in December 2001, in the event of the buyer defaulting. It also acts as a Guarantor for two property leases used by subsidiary company Darby Glass Limited at its sites in Portsmouth and Glengarnock.

The Company is the lessee of industrial premises in Gloucester, Wolverhampton, and Birtley which are occupied and solely utilised by the Company's wholly owned subsidiary, Darby Glass Limited. Rent charges are paid directly by Darby Glass Limited, and the directors have therefore deemed that the disclosure on commitments under operating leases should be made in the statutory accounts of Darby Glass Limited.

The Company also acts as Guarantor to its subsidiary Darby Glass Limited in respect of purchases from certain suppliers, and the leasing of various vehicles.

**15. ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company of Darby Group Limited is Jarvis Porter Group PLC. The accounts of Jarvis Porter Group PLC can be obtained from the Company Secretary, Darby House, Sunningdale Road, Scunthorpe, DN17 2SS.